Chain Store Age EXECUTIVE

with Shopping Center Age

October 1984

The newsmagazine for retail operations

James F. Kay, chairman

Wilfred Posluns, president

DYLEX: $1 BILLION U.S. BUSINESS BY 1988

TWENTY DOLLARS A YEAR (USA)

Chain Store Age EXECUTIVE Volume 60, No. 10/October 1984

CONTENTS

Asbestos: Wreaking havoc on remodeling 17
As retailers devote larger portions of their budgets to renovations, health concerns become major factors.

Retailers taking closer looks at today's customer . . 21
The marketing philosophy—finding the consumers and going out to get them—has replaced merchandising as the retailer's battle cry.

Direct mail draws a bead on target customer 22

U.S. Shoe is fine-tuning its vertical hold. 25

Credit cards play major roles as marketing tools . . . 28

What is Dylex and why is it looking at U.S.?. 31
For this Canadian specialty retailer, a $1 billion share of the United States market by 1988 is not far-fetched.

Retail employee discounts may be in jeopardy 37
The industry is holding its breath waiting for U.S. Treasury clarifications of the 1984 Deficit Reduction Act.

Clothestime switches horses in midstream 40
Discount apparel chain has introduced a larger prototype to accommodate a broader range of merchandise.

SHOPPING CENTER AGE

Checking the pulse of regional development 51
Despite the opinions of some doomsayers, the development of regional malls is maintaining a healthy beat.

6 From the Editor's Desk
8 Washington Commentary
10 Accounting Views
10 F.Y.I.
14 Executive Eye on Law & Government
58 Along the Mall
59 Shopping Center Real Estate
59 New Stores & Shopping Centers
60 Classified Advertising
62 New Equipment & Services
63 Advertising Index

ELLIS E. ROWLAND Publisher

STANLEY H. SLOM Editor
Michael J. Friedman Executive Editor
Mary Alice Elmer Managing Editor
Jacquelyn Bivins Senior Editor
Molly Brauer Associate Editor
Holly Klokis Associate Editor
Milton Berwin Art Director

John Rapuzzi National Adv. Sales Manager
William Epmeier Midwestern Adv. Sales Manager
Nancy Dubuar Advertising Prod. Manager
Andrew DeSarle Group Director
Anne Frasciello Research Director

WASHINGTON BUREAU
Kenneth Rankin, Manager
WEST COAST BUREAU
Louis Karney
Brad Altman

Published by
LEBHAR-FRIEDMAN INC.
425 Park Ave., New York, N.Y. 10022
212-371-9400
Cable Address: LEBHAFRIED

Publisher of Chain Store Age Executive (with Shopping Center Age), Chain Store Age General Merchandise Edition, *APPAREL merchandising*, Discount Store News, Nation's Restaurant News, National Home Center News, Drug Store News, Computer+Software News. Affiliates: Business Guides Inc.; Lebhar-Friedman Books; Inside Retailing (Newsletter); Chain Store Age News, Japan; Largo Music Inc.

Arnold D. Friedman
Founder (1900-1981)
J. Roger Friedman President
Richard Groberg VP/Group Publisher
C. Reese Musgrave VP/Sales
Harry A. Estes VP/Planning & Resources
James Granato VP/Finance
Barry Braverman VP/Publication Services
Robert B. Doll VP/Circulation
Stan Kaufman Production Director
Howard Neibart Marketing Director

REGIONAL OFFICES
NEW ENGLAND, 1 Gateway Center, Newton, Mass. 02158
617-527-6394
Robert T. Perry, VP/District Manager

MIDWEST, 444 N. Michigan Ave., Chicago, Ill. 60611
312-644-8688
James T. deGraffenreid, VP/District Manager

WEST, 606 N. Larchmont Blvd., Los Angeles, Calif. 90004
213-464-8321
John Donoghue, District Manager

FAR EAST, Diamond-Friedman Ltd.
Chain Store Age News Japan
1-4-2 Kasumigaseki, Chiyoda-ku
Tokyo, Japan
504-6750

Chain Store Age Executive (USPS 054-410, 059-210; ISSN 0193-1199), is published monthly by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022, at $20 a year; outside U.S.A.: Canada $21 (U.S. $) a year; elsewhere $75 a year, air-mail only. Second class postage paid at New York, N.Y., and additional mailing offices. Vol. 60, No. 10 Copyright © 1984 by Lebhar-Friedman Inc. All rights reserved. POSTMASTER: Please send address changes to Chain Store Age—Executive Edition, Subscription Department, 99 Park Ave., New York, N.Y. 10157.

AFFILIATIONS
Member of the Audit Bureau of Circulations, and Magazine Publishers Association.

Subscriptions
Having a problem with your subscription? Send us full details, including the mailing label from the last copy you received, along with your telephone number. We'll do everything possible to solve the problem at once. Write to Circulation Fulfillment Director, Chain Store Age Executive magazine, 99 Park Ave., New York, N.Y. 10157.
All correspondence should be addressed to Executive Offices, Chain Store Age Executive, 425 Park Ave., New York, N.Y. 10022. For change of address, six weeks notice to Circulation Department, Lebhar-Friedman Inc., 99 Park Ave., New York, N.Y. 10157, is requested. Give old and new address and zip code. If possible enclose address portion from cover on previous issue.

Permissions
Materials in this publication may not be reproduced in any form without written permission. Requests for permission should be directed to Ellis E. Rowland, publisher, Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022.

By William U. Westerfield

Fifty years of investor protection

As the Securities and Exchange Commission (S.E.C.) approaches its 50th birthday, the scenario has changed dramatically. The United States is widely credited with having the most advanced accounting, auditing and reporting system of any country in the world. True, that system still is loaded with imperfections crying to be addressed. And there is ample testimony to the continuing need for a watchful eye on investor interests. What used to be a disclosure vacuum has been replaced by a condition often described as "information overload."

How much credit fairly accrues to S.E.C. for the undeniable improvements in financial reporting during its tenure? Probably a larger share than some would care to admit. As a matter of policy, the commission relies on the private sector to establish and improve accounting standards. Nonetheless, the influence exerted through S.E.C.'s oversight role is unmistakable.

Normally quick to conform its own requirements with new Financial Accounting Standards Board (FASB) standards, S.E.C. overruled FASB on the subject of oil and gas accounting and sometimes augments FASB dicta with its own. When the commission perceives that current reporting problems warrant timely attention, stopgap action is often forthcoming.

Recent changes in its requirements have shown the commission to be on the cutting edge of progress. The integrated disclosure program brought an end to an impenetrable jungle of duplication, inconsistency and dead wood. Shelf registration procedures have become a welcome source of cost savings to retailers that qualify. Still to come, EDGAR, S.E.C.'s electronic information analysis and retrieval system, should provide benefits in the future.

Not that we think the commission is always right. Over the years, my firm has opposed commission positions on many substantive issues. In its zeal for remedial action, S.E.C. sometimes has imposed ill-considered requirements. Remember, for example, the reserve recognition accounting fiasco? S.E.C. also has a history of premature demands for auditor involvement in areas where no standards or bases for informed compliance exist. And the iron fist of the regulator showed clearly in the sledgehammer tactics employed by the Enforcement Division during the questionable payments era.

A regulator can never be truly popular with the regulated. On balance, we think S.E.C. deserves good marks for 50 years of credible and fair performance. If it has been stern, the occasion demanded it. If it has explored wrong avenues, it often corrected its course. If it has seemed to burden the corporate world, protection of investor interests is its legislative charge. Happy 50th birthday, S.E.C.

William U. Westerfield is chairman, Retailing Industry Services Group, Price Waterhouse, 153 E. 53rd St., New York, N.Y. 10022.

F.Y.I.

Industry mourns death of William Arnold, 59

Retailing leaders were saddened by the death of William P. Arnold, 59, who recently resigned as chairman and ceo of Associated Dry Goods. He had suffered from cancer for many years.

Joseph Johnson, who succeeded Arnold as ADG chairman, said: "One of the great rewards of my life has been the privilege of knowing and working with Bill Arnold. We have lost a great leader and true friend."

Sumner Feldberg, chairman of Zayre Corp., who recently succeeded Arnold as chairman of the National Retail Merchants Association, said that despite Arnold's bout with cancer, "he had the courage to stay alive, stay involved and stay interested."

Until a week before he died, Arnold—who had assumed the role of chairman of the executive committee—was in his ADG office almost every day.

Joseph Brooks, chairman of ADG's Lord & Taylor division, said: "No one was more courageous—unbelievable, unbelievable."

Philip Hawley, chairman of Carter Hawley Hale, said that Arnold was a rare individual who possessed both personal talents and merchandising skills.

Toronto "R" Us

Toys "R" Us is planning a long awaited expansion into Canada with the launching of four stores in the Toronto area this fall. The 45,000-sq.-ft. units will be backed by a 150,000-sq.-ft. distribution center and business office.

The Canadian toy market ($1.2 million) is smaller than that of the United States ($900 million), but the company will attack it with the same fervor it displays domestically. In fact, the company says it plans to be a coast-to-coast operator in Canada.

Toys "R" Us's low prices and deep selection will heat up competition, according to the Canadian Toy Manufacturers Association. The main competition will be Toy City, a scaled-down version of the American retailer. This chain, which operates in the Ontario and Quebec provinces, plans five openings this fall. There are two Toy City stores in Toronto.

Canadian retailers harbor a certain amount of admiration for Toys "R" Us. "We've watched them for many years and have developed a healthy respect for them—but Canada is another world," says Don Beaumont, vp-marketing for Towers Department Stores.

However, most industry analysts view the Toronto venture in the same light as Toys "R" Us's other expansions into new markets and expect the company will succeed. They look at Toronto as a natural extension of the chain's Northeast market.

Correction

Annual sales per employee in the home center industry last year were $128,100, according to a *Chain Store Age Executive* survey. Annual sales per employee for the supermarket industry were $79,300. These two figures were reported incorrectly in the September issue.